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SPECIAL MEETING
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD
SPECIAL WASTE AND MARKET DEVELOPMENT COMMITTEE

JOE SERNA, JR., CALEPA BUILDING
1001 1 STREET
2ND FLOOR
COASTAL HEARING ROOM
SACRAMENTO, CALIFORNIA

THURSDAY, JANUARY 30, 2003
AFTERNOON SESSION

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Jose Medina, Chairperson

Michael Paparian

Carl Washington

BOARD MEMBERS

Cheryl Peace

STAFF

Mark Leary, Executive Director

Julie Nauman, Chief Deputy Director

Kathryn Tobias, Chief Counsel

Jim Lee, Deputy Director

Martha Gildart

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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

1 AFTERNOON SESSION

2 --o0o--

3 BOARD MEMBER: I spoke with Joyce Eden at the
4 break about things that transpired this morning. And,
5 counsel, is that adequate for an ex parte -- we are
6 recording this but we don't have a court reporter. Do I
7 need to do a written ex parte?

8 MS. SPEAKER: No, as long as it's on the tape.

9 BOARD MEMBER: Thank you.

10 CHAIRMAN MEDINA: And I spoke with Jana Nairn of
11 Golden By Products regarding their tire cogeneration plant.
12 And because this is being tape recorded rather than
13 transcribed, we're going to ask the persons who speak,
14 please state your name very clearly and who you are with.

15 It's our intention here to get through this
16 portion as quickly as we can, such that we can open it up to
17 public comment before Board Member Washington has to leave
18 at 2:00.

19 So we'll pick up where we left off, and I believe
20 that, Board Member Washington, you had a recommendation to
21 make?

22 BOARD MEMBER WASHINGTON: Yeah, Mr. Chair, I would
23 like to increase the playground cover grants from 800,000 to
24 a million.

25 (Pause.)

1 MS. GILDART: Okay, staff -- oh, I'm sorry. I was
2 just going to say staff had pointed out on the earlier item
3 there, the tire recycling conference, we had forgot to
4 discuss that. Does anyone want to go back?

5 We do biennial conferences, you know, every two
6 years, try and do a conference that brings together folks
7 involved in the recycling and permitting and operation of
8 tire facilities. It's just sort of standard --

9 BOARD MEMBER: I would support that for 100,000,
10 as you have it.

11 MS. GILDART: Okay, we'll put that in. Sorry to
12 disrupt you, but I wanted to make sure we caught that before
13 he left.

14 So the next item then is the commercialization
15 grant program. This is one now we've been doing for several
16 years. I think several of you are very familiar with the
17 issues involved. It's a chance to provide money -- most of
18 our grant programs are directed at local governments for
19 things like cleanup enforcement, playground mats, et cetera.

20 This is one that's directed to business to help
21 them either increase their recycling capabilities or to add
22 new product lines. It's not a research effort; it's how to
23 take those products into the market. So that's why we call
24 it a commercialization grant.

25 UNIDENTIFIED SPEAKER: (inaudible).

1 MS. GILDART: Grants. Oh, I'm sorry, I thought
2 we'd done those. You're right. Track grants. So that's a
3 million.

4 Yeah, staff was proposing a million for the first
5 year and 1.2 million for the next three years -- the next
6 two years, dropping to a million and then dropping to zero,
7 with this idea that we're sort of getting through the hump
8 of the pent-up demand. Because we only started this program
9 two years ago.

10 Are there any recommendations on funding levels?

11 BOARD MEMBER WASHINGTON: I guess the question I
12 would have in terms of track and other recreational
13 surfaces. What are we talking about here? Are these
14 community colleges?

15 MS. GILDART: They're directed at schools, park
16 districts, community colleges, Indian Tribes.

17 BOARD MEMBER WASHINGTON: Mr. Chair, I'd like to
18 see that remain at one million across the board.

19 CHAIRMAN MEDINA: Okay, so be it, one million
20 across the board.

21 MS. GILDART: Okay. One million across the board.

22 BOARD MEMBER WASHINGTON: Yeah.

23 MS. GILDART: Okay. These grants are -- the
24 playground mat grant, just to give you a sense of
25 proportion, have been offered -- but obviously we can change

1 this year-by-year -- have been offered 25,000 per. The
2 track and recreational surfacing are up to 100,000, because
3 if, indeed, a school wants to put in a track that's a fairly
4 significant outlay of funds, so just to let you know the
5 size range there.

6 Okay, so now line 13, the product
7 commercialization grants. As I said, this is one that's
8 been offered now for a couple years at \$2 million. It's one
9 of a few grants we have that goes directly to businesses to
10 help them in expanding recycling capabilities.

11 So, any comments on that one?

12 No? Okay. Shall we hold it at \$2 million across
13 the years?

14 CHAIRMAN MEDINA: We'll do that at this --

15 MS. GILDART: Okay. The next one is green
16 buildings/sustainable building line item. Just because of
17 the budget shortfall for the '03/04 fiscal year we had
18 proposed to decrease that slightly to 400,000 just that one
19 year, and then go back to the 500,000 level.

20 Having added monies to our research component we
21 are going to -- we're already over the amount of money we'd
22 allocated there, so we have to keep track of these. I mean
23 once we get through this column we can go to the final
24 table. But I'm afraid we're going to have to look for
25 places to cut.

1 So I don't know if you want to leave this at
2 400,000 or make any changes here.

3 CHAIRMAN MEDINA: We'll proceed with what you have
4 on it.

5 MS. GILDART: Okay, so that's 400 the first year;
6 500 thereafter.

7 The rubberized asphalt concrete technology
8 centers. These are the two with Los Angeles County and
9 Sacramento County. They do training, outreach, design
10 approvals and recommendations. They have what they call an
11 incentives grant program which helps local governments
12 provide for, design, review and QAQC processes during the
13 actual application of rubberized asphalt.

14 It is currently at 500,000 through all five years.
15 And staff was proposing to slightly increase that. That's
16 certainly open to discussion based on how it ties in with
17 the AB-1346 Kuehl Bill RAC grants, which are later in this
18 list.

19 I don't know if you want to make any determination
20 here or wait till we discuss the Kuehl Bill stuff?

21 BOARD MEMBER: I'm fine with proceeding, but also
22 the additional item that should be mentioned is that we have
23 a program evaluation happening of the centers that hopefully
24 will give us good information about what the future needs of
25 the centers will be, and how to accomplish those. Whether

1 we might need more money. It's hard to believe we'd need
2 less money for them, but certainly in terms of program
3 delivery stuff, that evaluation may wind up informing us
4 even better later this year.

5 MS. GILDART: So do we want to pencil something in
6 here or come back to it when we --

7 BOARD MEMBER: I would suggest you go ahead and
8 leave the numbers at 500,000 --

9 MS. GILDART: Five hundred --

10 BOARD MEMBER: -- up to 600,000. I'm comfortable
11 with that at this point, but --

12 MS. GILDART: Okay.

13 BOARD MEMBER: -- at this point it's monopoly
14 money until we get to the end in trying to make the numbers
15 work.

16 MS. GILDART: Um-hum. Okay. The signs for
17 Caltrans. That's something we thought we could start
18 fitting it in as we work with them on specific projects to
19 make the requirement project-by-project, rather than trying
20 to fund it separately, because we've not had much success in
21 working that one out.

22 So we were proposing zeroing out that 30,000 signs
23 for Caltrans projects.

24 BOARD MEMBER: Two years ago we talked about the
25 importance of this as a way of promoting RAC. You're saying

1 that Caltrans just hasn't been willing to identify RAC
2 segments?

3 MS. GILDART: It's not a high priority for them to
4 put these sorts of signs up. And they have so many
5 different requirements on signage, letter height, whether
6 it's break-away materials so cars won't impact, and dah,
7 dah, dah, dah, dah, it just got really complicated.

8 Of course, we could always do what the gentleman,
9 was that in Los Angeles or San Diego, the artist who did his
10 own sign and hung it up over the freeway and Caltrans never
11 noticed, because he duplicated it so well.

12 (Laughter.)

13 MS. GILDART: That was in the newspapers awhile
14 back. I did think about that at the time.

15 BOARD MEMBER: I think it's important to draw
16 attention to these projects. One of the suggestions we had
17 at the workshop in Van Nuys was to identify online in some
18 way maps of where these projects are.

19 But I think that overall we need to do more
20 promotion of what's happening with RAC.

21 BOARD MEMBER: This is a way of promoting it. If
22 we don't do it this way I think we need to look at
23 alternative ways of assuring that we're getting the word out
24 about the importance of RAC and where it's being used.

25 CHAIRMAN MEDINA: Well, I agree with Board Member

1 Paparian in regard to having it indicated on websites or in
2 other ways. The issue here has to do with signs. I know
3 that signs is a complex area having to do with the state
4 highways. So I think that, you know, I would support it at
5 this time, zero for signs.

6 But if we want to dedicate some money to
7 publicizing where we have RAC projects, we can certainly do
8 that. I would favor that. But I would just not leave it
9 signage, because that is problematic.

10 MS. GILDART: And I think it's something we can
11 fold into the RAC centers and maybe even the Kuehl Bill,
12 too, some of that public outreach and information. Okay.

13 The next item is the RMDZ loan program. That's
14 been quite successful the last couple of years. And staff's
15 recommending continuing that at the current funding level.
16 That's \$2 million.

17 BOARD MEMBER: As I understand it those RMDZ loans
18 were slated for a ten-year period, and we're in the process
19 of revising those?

20 MS. GILDART: It's possible, I'm not quite sure
21 how the market division conducts those, but --

22 BOARD MEMBER: Yeah, that was my understanding
23 from (inaudible).

24 MS. GILDART: Okay, the next item is actually just
25 sort of a modification of something we had there before, so

1 I don't know, maybe it should have been in blue ink here in
2 the staff proposal.

3 We had been proposing to fund the State Parks
4 Department at a 200,000 level per year to do things like
5 rubberized asphalt, recycled content signs or materials, you
6 know, I mean bumpers. You can do recycled tire rubber
7 bumpers in parking lots and the pavements and mats and
8 things, at restrooms, or whatever.

9 Because of some interest expressed by a couple of
10 state agencies, we thought well, maybe we should broaden
11 that a little so that other agencies than the State Parks
12 could propose specific projects here.

13 The one example we've heard recently was a
14 proposal about weed suppression mats to be used along
15 highways by Caltrans that could be produced by the someone
16 like the Prison Industry Authority. But there might need to
17 be some funds made available to assist that. And so staff
18 had proposed a roughly \$400,000 amount for the first two
19 years on that program.

20 BOARD MEMBER: I think this is a positive change
21 looking at state agencies overall. One of the five goals
22 stated in the intent language of 876 was to increase state
23 government's procurement and use of recycled content tire
24 products. And I think this would help accomplish that.

25 I think we may even want to -- because it was

1 called out at such a high level in 876, and because of our
2 overall efforts in trying to get state agencies, I think
3 it's part of our strategic plan, even, to get state agencies
4 more and more engaged in the purchase of recycled content
5 products, use of recycled content products, that I'd suggest
6 upping this to 600,000 a year into the future.

7 UNIDENTIFIED SPEAKER: (inaudible).

8 BOARD MEMBER: Yeah.

9 MS. GILDART: Okay, the next two items are in-
10 house activities through the Waste Prevention and Market
11 Development Division.

12 They had been funded, the conference at 50,000 and
13 the CalMax Wrap programs at 25,000. And through earlier
14 actions of the Board indicating a desire to increase those
15 funding levels, we are trying to reflect that in these two,
16 at the 75,000 and 33,000 level.

17 Okay, so we'll go with those?

18 The rebate study was actually that one-time study,
19 so it will be dropped off eventually. We're just carrying
20 along some of the line items so you can see what happens to
21 them.

22 Tires database. This is a proposal from the staff
23 level trying to develop something that's going to be a very
24 comprehensive linked database. And we have waste tire
25 facility data in the Board's solid waste information system,

1 SWIS. However the SWIS database was designed for landfill
2 disposal. So the idea of waste coming in and staying there,
3 and tonnages and all that stuff.

4 The facility permits are more for business
5 operations for materials come in and materials go out,
6 materials come in, materials go out. You've got fluctuating
7 business patterns based on economic market conditions and
8 all that.

9 Staff was thinking it would be useful if we could
10 somewhat redesign requirements similar to SWIS, but have
11 their own tire facility database that would then link to
12 some of the grant information in the Board's grant
13 management system database, which you can call up who
14 received grants, who has permits, what condition are they
15 in, are they in compliance. And link it also to some of the
16 product manufacturers and types of products and materials
17 where these supplies come from.

18 So it's a pretty comprehensive database system
19 that staff was proposing. Obviously, you know, we don't
20 have to do it in this very first year if we have budget
21 constraints. But the proposal had been to put \$100,000 in
22 03/04 and \$150,000 in 04/05 to get something like this
23 designed and set up.

24 CHAIRMAN MEDINA: We'll leave it in for now unless
25 there's any objections.

1 MS. GILDART: Okay. This Buy Recycled
2 Certification audits, I believe, is to supplement the waste
3 prevention market development division's SABRAC program,
4 State Agency Buy Recycled, where we have to track through
5 our grants and contracts and other state agency grants and
6 contracts, the purchase of recycled content materials
7 including tires. And this would be a way of going through
8 and auditing to insure that those numbers are accurate as
9 reported.

10 Okay, so stick with that at 50,000? Okay.

11 The last one. The rubberized asphalt concrete
12 grant system. This is staff's attempt to incorporate the
13 AB-1346 Kuehl Bill requirements to set up a grant program
14 for local governments to use rubberized asphalt.

15 It's still very early in development stages; it's
16 a little bit hard right now to have numbers. The first year
17 we were proposing \$20,000 as a way, it would be coming out
18 of the Board's tire fund. It's not necessarily part of any
19 Kuehl Bill fund. It's just an attempt perhaps to build up
20 interest, explain to local governments what the program and
21 the process is. So that when we actually announce the
22 application period, we'll have sufficient applicants coming
23 into it to use the monies.

24 And then we had proposed for the first full year
25 of implementation we'd start at a million, building it year

1 by year to the 1.6 million which is close to the 16 percent
2 of the overall market budget that the bill indicated is the
3 preferable funding level.

4 Now, the reason that one-year delay, I had touched
5 on it earlier, is an attempt to give the Board some
6 flexibility and insure that the dollars are actually used
7 each year.

8 One of the problems that we've seen, and I think
9 almost anyone living in California has seen, is that a
10 paving project is a fairly low priority on a local
11 government budget. You know, they got a street with some
12 potholes, they want to repave it, they don't have the money,
13 they can patch it, you know. They fill a few potholes and
14 that's it. They can put it off year to year, if necessary.
15 They get a lot of complaints from the citizens, but if
16 you're faced, in a time of economic downturn and budget
17 restraints, with choosing between fire and police and
18 schools and paving a road, the roads aren't usually the
19 first in line.

20 And we were concerned if we followed the Board's
21 typical grant process where we announce an application
22 period. They come in. We select the awardees. We write
23 grant agreements with each one and dedicate the money that
24 fiscal year, and then give them two years to build it, if
25 they don't build it in that time period those monies are not

1 reassignable. They revert to the fund, and we've not used
2 them.

3 So we were trying to dream up a way that we could
4 get a list of qualifying projects through a review-and-
5 approval process; and be able to use those monies as they
6 build them. And just go down the list on a sort-of first-
7 come/first-served for qualified projects in the same fiscal
8 year. And that way not have our money hung up.

9 So to do that we were proposing this
10 implementation in the fiscal year 04/05.

11 BOARD MEMBER: I support your rationale and the
12 amounts that you have there. The only concern that I had
13 was in regard to the size of the grants, 6,250 to 50,000. I
14 know in a lot of the cities that have prevailing wage rates,
15 6250 won't buy them much.

16 MS. GILDART: Well, that was based on the formula
17 in the bill of \$2.50 per ton for project sizes ranging from
18 I think 2500 tons to 5000 -- 20,000 tons. So if you do 2.50
19 times that size range, then the minimum grant would be 6,250
20 and the maximum would be 50,000.

21 Yes, I think we're more likely to get that upper
22 end. But that was just the formula in the bill.

23 BOARD MEMBER: Can I ask the question that had
24 come up, there's some peculiar language in the bill having
25 to do with the amount spent on this program. We just got a

1 legal analysis this morning. But the question that had come
2 up was that the legislation says that if we do this program
3 it shall be 16 percent of the market development pot, to the
4 extent possible. And the way the language in the bill reads
5 is to the extent possible, depending on the number of
6 qualified applications and whether there is a sufficient
7 supply of crumb rubber. Funds allocated pursuant to this
8 section shall be equal to 16 percent of the budgeted amount
9 for market development.

10 So the question that had come up before was are we
11 limited in our findings to the number of qualified
12 applicants and a sufficient supply of crumb rubber, or -- if
13 we allocate less than 16 percent. Or do we have a broader
14 capability there? It sounded like, from the legal analysis,
15 that we do have a broader capability to make findings and
16 therefore don't have to allocate at exactly 16 percent.

17 I'm not sure if you followed me on that, but --

18 CHIEF COUNSEL TOBIAS: No, I did. We did not
19 address that particular issue, and we can look at that
20 quickly on whether there are other criteria that we can use.

21 And, Martha, I don't think, although I think we
22 talked about this with her, I don't think she's seen the
23 complete analysis.

24 I think, and we can continue to look into this as
25 we develop this, but it might be better to spend no money in

1 a year on this, and then be ready the next year to implement
2 it, as opposed to spending some kind of money on it, and
3 then triggering that concern of, you know, we're spending
4 less than 16 percent on it, even though we're doing
5 something with it.

6 If that 20,000 that's in there is supposed to be
7 for, you know, staff time to get it up to speed and stuff,
8 I'm not sure that's what the money was supposed to be spent
9 on. So, --

10 BOARD MEMBER: Okay, I mean for purposes today
11 maybe we should keep these amounts in here. I'm fine
12 conceptually with the amounts, but legally it sounds like
13 maybe there needs to be a little more scrutiny of the law
14 and of what's being proposed here to make sure it's
15 consistent.

16 MS. GILDART: Yeah, I think the \$20,000 in one
17 year is probably not going to work. I think what we could
18 do for next year is say we're going to work on
19 implementation; we're not going to make any grants because
20 we can't get the program up that fast. And then, you know,
21 after that, the following years we're going to have to make
22 some kind of estimation if you want to fund at the 16
23 percent, what that 16 percent might be at any given time.

24 And then we'll look into your question about the
25 criteria.

1 BOARD MEMBER: Yeah, and my basic question is it
2 okay for us to fund at less than 16 percent?

3 MS. GILDART: At the moment I think it's zero or
4 16 percent. If you want to fund some. Unless you don't get
5 applicants and unless you don't get the other thing.
6 There's also -- there's always an impossibility criteria.
7 And so that's what you could use for next year. You could
8 say, well, it was really impossible for us to get that
9 program out the door, so we didn't fund it.

10 So, I don't think it's a problem not spending the
11 money, but we will look at your other question.

12 BOARD MEMBER: Based on what you're saying it
13 would be more prudent for us to go zero in 03/04?

14 MS. GILDART: That would be my recommendation at
15 this time.

16 BOARD MEMBER: Yes, I would like to go with that
17 recommendation.

18 MS. GILDART: Okay, well, I think that 20,000
19 deletes, yeah.

20 Okay, so can we flip to the total sheet and see
21 how much we're over? I think it's close to a million.

22 The overall -- is that it, the overall -- 33 -- So
23 it's 2 million over.

24 So, what's the pleasure of the Board? Do you want
25 to take public comment now and then see later where we

1 should make some cuts to try and come in under budget? Or
2 do you want to wait --

3 BOARD MEMBER: I think because this particular
4 item is going to come before the special waste committee,
5 and also the budget and admin committee, and the three of us
6 that are here on this Panel sit on those very same
7 committees, there's no reason that we couldn't get --

8 BOARD MEMBER WASHINGTON: Well, my understanding
9 that it's not going before the budget and admin committee.

10 MS. GILDART: Catherine, this is a question on the
11 public notice. This had not been put on the February Board
12 agenda. It wasn't discussed until yesterday afternoon when
13 we learned that Committee Member Jones wasn't going to be
14 here, that maybe we'd want to take it to the Board so he'd
15 have a chance to look at this.

16 So we're trying to get a title in for the February
17 Board meeting, but I don't think we've met the time
18 requirements for the budget or any of the other committees.

19 MS. TOBIAS: Tomorrow's the notice for the Board
20 and --

21 MS. GILDART: For the Board --

22 MS. TOBIAS: -- and the committee --

23 MS. GILDART: So we can get it on the Board, but
24 we just don't have the ten-day public notice for the agenda
25 for the other committees.

1 CHAIRMAN MEDINA: Nonetheless, this was going to
2 come before us again in March, was it not?

3 MS. GILDART: Yeah, in March. In March.

4 CHAIRMAN MEDINA: Yeah.

5 MS. GILDART: We were trying to get something as
6 soon as February for some input.

7 CHAIRMAN MEDINA: Well, I think for the -- for our
8 purposes this will come before, if you have a placeholder
9 for the February Board meeting, then this will come to the
10 Board. But after that it will still come --

11 MS. GILDART: Yeah, --

12 CHAIRMAN MEDINA: -- back before the special waste
13 and budget and admin committee, and we have another go at
14 this. So it doesn't mean we have to come right out to the
15 penny here. The Board can cut these numbers down in our
16 Board meeting, and then we still get to tinker with this at
17 the March committee meetings. And then the Board meeting
18 when we do the final vote on this.

19 BOARD MEMBER: Just one point of clarification,
20 Chairman Medina. Again, so we should bring the item back at
21 the February Board meeting to consider the deliberations
22 on --

23 CHAIRMAN MEDINA: The final numbers --

24 BOARD MEMBER: -- the final numbers?

25 CHAIRMAN MEDINA: Yes. Some final numbers. And

1 those may not remain even final at that time because it
2 still would go back before two committees, and then a final
3 vote by the Board.

4 So the Board actually votes on the final document,
5 you know, the figures that we have can still be worked on.

6 And the reason I want to do that is Board Member
7 Paparian wants to make some changes in the text of some of
8 the, you know, the five-year plan.

9 And again, I do want to accommodate, I have, by my
10 count, 15 or 16 persons that wish to speak. And I would
11 like to hear those persons while we still have a quorum and
12 while all three Members of the Committee are here.

13 So, Board Member Paparian, do you know how long
14 the text of changes that you're recommending will take?

15 BOARD MEMBER PAPARIAN: I think I could do it in
16 two or three minutes, but, you know, I'm happy to wait until
17 after the public comment to get to those, if you want to.

18 CHAIRMAN MEDINA: Okay, with that, at this point
19 we will take public comment. And we're going to -- I'm
20 going to ask each speaker to please limit your testimony to
21 three minutes. And if you would, I know that a number of
22 you have testified at other committee meetings, so as not to
23 repeat some of the things you've said at other committee
24 meetings. But certain things based on what we've gone over
25 today, if you have something related to that, anything else

1 you wish to share with us.

2 The first person I'd like to call up is Mr. Cliff
3 Ashcroft with the Asphalt Pavement Association.

4 MR. ASHCROFT: Chairman Medina and Board Members,
5 it's a pleasure to be here today, and I will try to limit my
6 comments to under three minutes.

7 Some of you have seen me serve in the capacity
8 with the Rubber Pavements Association which I currently
9 stand as the Vice President. It is the world renown
10 association for the promotion and distribution of asphalt
11 rubber materials and promotion.

12 Today, I have been asked by the Asphalt Pavement
13 Association of California, of which I serve on a
14 subcommittee, the rubberized asphalt concrete committee, to
15 come up and address the Board.

16 And I want to start out by complimenting, number
17 one, the Board and its staff for what they have done in the
18 past in supporting the industry and recognizing the needs of
19 the industry. And also I want to compliment the rubberized
20 asphalt concrete technologies centers, both north and south,
21 for their commitment to helping to bring about a quality
22 product. And I think we have seen tremendous results from
23 the efforts of the Board, the funding and the RAC
24 committees.

25 I've been in this industry for 15 years, in the

1 rubberized asphalt concrete industry. So I saw it before
2 Caltrans would even use it or even think about using it to
3 where it is today.

4 I wanted to take just a second to give you a brief
5 update as to where things are at in the industry, what help
6 we think we need, and what help we'd like to be to the
7 efforts of the Board.

8 We've seen an industry that unfortunately, largely
9 due to funding and largely due to Caltrans issues, which we
10 are still trying desperately to pursue and understand, is
11 back to its usage levels of roughly a decade ago. And what
12 that means for an industry such as ourselves, I'm speaking
13 as far as the contracting side, but also the producers, is
14 we've seen an industry blossom and grow.

15 A lot of capital investments have been made,
16 anticipating that recycling was what was going to continue
17 taking place. And unfortunately, we've seen a substantial
18 drop, and we see many suppliers and producers struggling
19 just to keep their heads above the water right now.

20 I would like to see, as I said before, that the
21 actions of the Board and the funding has done a great deal
22 to promote this industry. And in my opinion, has been
23 extremely successful.

24 So, with that having been said, I was asked by the
25 Asphalt Pavement Association to come up, number one, and

1 compliment the Board and to say that we look forward to, as
2 an industry, stepping up to the plate and doing all we can
3 to promote the interest in recycling in the asphalt rubber
4 pavement industry.

5 With the anticipation of SB-1346 taking place and
6 being implemented, which we've learned more about today, we,
7 as an industry, would like to offer ourselves, make
8 ourselves available. If a committee needs to be formed, or
9 if we can participate in how to disseminate that funding,
10 whether we -- how the applications can be received and what
11 the real needs are out there, we'd be more than willing to
12 do that.

13 And we'd also like to ask -- this is just a
14 question. Understanding the budget shortfall, I was asked
15 by the Association to say if there were excess funds at the
16 end of the year, if those could go towards 1346 because the
17 16 percent was, so to speak, the minimum that was
18 identified.

19 So with that having been said, again with the
20 compliments being given for the sincere compliments for what
21 has been done and accomplished, with the dire needs of the
22 industry, anything that can be done to implement the
23 assistance in the way of 1346 of an immediate nature would
24 be greatly appreciated by the industry.

25 CHAIRMAN MEDINA: Okay, thank you, --

1 BOARD MEMBER: Mr. Chairman, just a quick comment
2 if I can.

3 CHAIRMAN MEDINA: Yes.

4 BOARD MEMBER: One of your suggestions was
5 something I don't want to lose, and that was you wanted to
6 figure out a way to provide some regular input into the
7 program.

8 And I think that one of the things we may want to
9 look at is some sort of, you know, advisory group of
10 stakeholders from the recycling, you know, environmental
11 health, even the landfill sectors to help provide regular
12 advice in a public forum, to the entire program.

13 So, I'll follow up on that.

14 MR. ASHCROFT: Certainly. Appreciate that.

15 BOARD MEMBER WASHINGTON: Certainly appreciate
16 your optimism about the excess funds.

17 (Laughter.)

18 MR. ASHCROFT: You know, I was charged with that
19 Commission to say that, so I did my job.

20 BOARD MEMBER WASHINGTON: Thank you.

21 MR. ASHCROFT: Thank you.

22 CHAIRMAN MEDINA: Very good. The next speaker is
23 Karen Gerbosi.

24 MS. GERBOSI: That's me. Hello, my name is Karen
25 Gerbosi. I'm with the Beebe Family Ranch in Petaluma,

1 California. Most of the reason I came here today is that
2 since there are two new Members on the Committee I wanted to
3 take a few minutes to briefly introduce myself, and to
4 describe some of our concerns.

5 My brother, sister and I own a ranch in Petaluma.
6 And we're one of the legacy agricultural tire sites that's
7 there in Sonoma County. The last tires were placed on our
8 land in about 1985. At that time this was an accepted
9 standard practice, and was a method used by a number of
10 ranchers in Sonoma County. And at that time no
11 authorization, documentation or permits were required, and
12 there were no regulations prohibiting it until 1992.

13 I did prepare written comments with suggestions
14 for the update on the five-year plan, and submitted those in
15 October. And one of the important suggestions that I really
16 do want to make sure gets into the plan is that we want to
17 make sure that the legacy tire sites are considered legacy
18 agricultural tire sites, sites that have used tires to
19 control soil erosion, and that they not be considered
20 illegal. And that to have those revisions incorporated into
21 the five-year plan.

22 The other thing that I did want to do is I wanted
23 to thank -- Mr. Jones and staff came down to the sites in
24 Sonoma County last week and visited our sites. And we
25 really appreciated them taking their time and energy to do

1 that.

2 And lastly, I want to say that we, along with the
3 other owners of Sonoma County legacy tire sites, urge the
4 California Integrated Waste Management Board to use its
5 authority and resources to make these revisions to the five-
6 year plan and to move forward to accomplish solutions that
7 will satisfy the various state, federal, county and regional
8 agencies, as well as the landowners and any other concerned
9 parties.

10 Thank you very much for your time. I appreciate
11 being here. Thank you.

12 CHAIRMAN MEDINA: Thank you. The next speaker is
13 Murray Quance.

14 MR. QUANCE: Good afternoon, Chairman Medina,
15 Board Members. My name is Murray Quance, representing BAS
16 Recycling and environmental molding concepts. Thank you
17 very much for this opportunity.

18 I will not be redundant and repeat all the good
19 programs that you have. I just would like to thank you on
20 behalf of our companies, that we take very seriously our
21 responsibilities to fulfill some of the grants and those
22 that we have received, and plan to fulfill that.

23 I just wanted to take this opportunity just to
24 speak on behalf of my company and what I believe is just the
25 state of the industry for the crumb rubber recyclers from my

1 view.

2 Since 2002 energy has increased in pure terms 47
3 percent for us. The work in Caltrans has dropped 70 percent
4 by volume, such that right now all of us are squeezed on the
5 profitability side. Companies such as mine, where possible,
6 are diversifying as fast as they can in other markets to
7 take advantage of the investments.

8 But I can assure you that there are at least three
9 of my competitors right now that are in dire straits. And
10 as such, the market is in a very predatory pricing
11 situation.

12 My recommendation to you is -- based on what I
13 heard this morning, is the quickest way that in my judgment
14 that we can turn around is, as Cliff mentioned, the products
15 relative to the rubberized asphalt concrete. Anything that
16 can be done that can prioritize that, in my judgment, would
17 be the quickest way which would help the overall industry.
18 So anything that could be done in that area.

19 I believe programs such as the ones that Board
20 Member Washington talked about, the playgrounds, the fields,
21 I believe those markets will take care of themselves and
22 will grow.

23 But because the other companies, even more than I,
24 are so dependent on the asphalt concrete that I think
25 anything that can be done to prioritize and move them up

1 would strengthen that. Otherwise I'm concerned that we'll
2 wake up two or three years from now, when the market comes
3 back, and there might only be two recyclers, old tire
4 recyclers left in California. And then we'll all be the
5 worse for it.

6 Thank you very much.

7 CHAIRMAN MEDINA: Thank you, Mr. Quance. And if
8 you will recall, during my tenure at Caltrans the use of
9 rubberized asphalt went up extremely high.

10 MR. QUANCE: I appreciate that.

11 CHAIRMAN MEDINA: Leandra Swent.

12 MS. SWENT: Good afternoon, I'm Leandra Swent.
13 I'm the District Manager with Southern Sonoma County
14 Resource Conservation District.

15 And I won't go over the whole thing because it's
16 such a long story. One of the biggest concerns I had about
17 today's meeting was the recommendation to remove the short-
18 term remediation sites from the list in the five-year plan.

19 For those of you who are new to the Board, we've
20 been working on this project for ten years. Some of the
21 landowners were cited over ten years ago, and we've been
22 trying to come up with a method for remediation.

23 As Karen Gerbosi said, the tires were put in as a
24 recommended practice. It was not illegal to have them on
25 their sites until, I believe, the time was 1994. All these

1 tires were placed prior to 1980s.

2 So I had hoped that with the five-year plan we
3 could get an understanding of where the Board wanted to go
4 with these sites and other sites like them. There's never
5 been a determination at the staff level or at a Board level
6 of how to move forward on these sites.

7 And, again, we're faced with -- we have three new
8 Board Members who are not up to speed on this subject.
9 There's a lot to know. And, again, we may have to re-
10 educate people. If you're all gone and staff doesn't know
11 which direction to go with these sites, we go back to ground
12 zero which we've done probably six or seven times over the
13 last ten years.

14 And I would hope that either they get covered in
15 the five-year plan with a Board recommendation for how to
16 move forward; or you give us some insight as to how we can
17 get on the books for staff to understand what the Board's
18 will is on these sites.

19 And that's really my biggest concern at this
20 point, is to be able to go forward with the Board's will,
21 whatever that is.

22 BOARD MEMBER WASHINGTON: You mentioned short-term
23 remediation or long-term?

24 MS. SWENT: The short-term remediation sites. As
25 Karen mentioned, we are listed under those in the five-year

1 plan. There's six landowners the RCD represents that are
2 listed in that, that are agricultural sites where the tires
3 were placed as a recommended practice.

4 We would like -- we recommended in a letter to the
5 Committee back in October that they be separated out, those
6 six sites, and other sites similar to them, and that they be
7 handled as a completely different situation than the short-
8 term remediation sites. And I would like to see it still
9 handled in the five-year plan that way. Or in some other
10 document that we can refer to down the road.

11 It gives us some cohesiveness and some
12 equitability to other sites that might come forward that are
13 similar to these, down the road.

14 BOARD MEMBER WASHINGTON: I would like to set up a
15 meeting with you so I can understand --

16 MS. SWENT: I can't hear you, I'm sorry?

17 BOARD MEMBER WASHINGTON: I would like to set up a
18 meeting with you so I can understand the complex of the
19 issue we're talking about here, to make sure that I'm clear
20 as to what you guys have been trying to do over the last ten
21 years.

22 MS. SWENT: Okay, absolutely. And I would like to
23 extend any time you want to come down, like Mr. Jones did,
24 and see the sites, we'll take you on a tour and you can meet
25 the landowners and see what we're really talking about.

1 BOARD MEMBER: Mr. Chairman, I know that Mr. Jones
2 is trying to craft some suggestions to bring back to this
3 Committee and to the Board in terms of dealing with the
4 situation in Sonoma.

5 To answer your specific question, I would find it
6 hard to -- I'd be pleasantly surprised, but I find it hard
7 to believe we'd be able to specify in the five-year plan,
8 given our timing for the development of that, that we'd be
9 able to specify how we're going to resolve the Sonoma
10 situation.

11 I think what you can look to, from my perspective,
12 in the five-year plan is that, you know, there are funds set
13 aside for clean up that, you know, should the state have any
14 obligation there, the state would have some funds available
15 to meet that obligation.

16 But, you know, at this point we don't know what,
17 if any, obligation the state may have with regards to the
18 clean up.

19 And then just for Mr. Washington's benefit, one of
20 the concerns that some of us have had is that there are six
21 sites, I believe, identified. There has been suggestion
22 that there are more sites that people have been reluctant to
23 reveal to us until they know how we're going to deal with
24 the first six sites.

25 So we may have additional liabilities up there

1 that we don't know yet what, if any, additional liabilities
2 we might have if we set the precedent first. So it's a
3 pretty complex issue.

4 MS. SWENT: Yes. And if we can't remedy this in
5 the five-year plan, I'd really like a recommendation of how
6 we can move forward so that we can come up with a
7 recommendation that the Board supports and is willing to put
8 down somewhere that can be followed up down the road with
9 staff.

10 So if you could make some recommendation to us,
11 that would be wonderful.

12 CHAIRMAN MEDINA: Okay, thank you.

13 MS. SWENT: Thank you.

14 CHAIRMAN MEDINA: And our next speaker is Muluneh
15 Sime.

16 MR. SIME: Thank you, Mr. Chairman and Board
17 Members. My name is Muluneh Sime with Nevada Automotive
18 Test Center. We're contracted by Waste Management Board to
19 conduct research on the recycling content of the new tires.

20 And I just wanted to revisit what was discussed
21 this morning regarding the increased life span and recycled
22 content of new tires against what is going on in other
23 agencies, in terms of looking at tires and from a
24 performance standpoint.

25 A case in point is a program that is undertaken by

1 California Energy Commission, which looks at fuel efficient
2 tires. And I just wanted to follow up in the discussions
3 this morning, I wanted to kind of make a suggestion, if
4 possible, if those programs can be looked at relative to
5 each other because they have so much interaction in terms of
6 the outcome of the study.

7 Because, for example, if we look at the recycle
8 content of tire against the fuel efficient tires, there may
9 be some kind of competition from a technical standpoint,
10 competition that needs to be addressed at the early stage of
11 the program

12 So I thought I would -- there is already attention
13 paid by the Board to this issue, but I thought I would kind
14 of re-emphasize that. It may be part of the peer review or
15 maybe program coordination, or maybe put it in the research
16 and institution programs, whether private or university
17 program. But I thought I would kind of re-visit that topic.

18 And that would be my comment. Thank you very
19 much.

20 CHAIRMAN MEDINA: Okay, thank you. The next
21 speaker is Harlan Sethe.

22 MR. SETHE: Thank you. I am Harlan Sethe, a
23 member of the West Valley Citizen Air Watch, a group in
24 Santa Clara Valley.

25 I'm retired school teacher from the Cupertino

1 Union School District, and I'm appealing to you to be aware
2 of the fact that asthma deaths among children and young
3 people are increasing.

4 I received a report yesterday from Stanford
5 Childrens Hospital stating that in 1995 there were 42,333
6 asthma-related hospitalizations in California. And 42
7 percent of those were children.

8 The number 24 you had in your study about the
9 environmental health issues, you're going to donate about
10 \$250,000 to that area. I'd like to suggest that you people
11 make it a priority to take school districts within ten
12 miles, I'll say, of a kiln that's going to burn tires and
13 just see what the relationship is as far as the asthma is
14 concerned in that area.

15 In the Cupertino School District we're going to
16 have a speaker speak February 3rd. It's going to be a
17 secular County hospital case director, and the director is
18 going to talk about asthma. And he's going to talk to the
19 district P.E. teachers because we have an increasing amount
20 of asthma in our area.

21 I've taken the eighth grade students to Yosemite
22 National Park for 25 years. And each of the parents have to
23 fill out a medical record. And the medical records I've
24 examined over the years show increasing amounts of asthma in
25 our area, as far as the children are concerned.

1 The smoke irritation irritates a person's
2 bronchial tubes and the eyes and nose. So my major concern
3 is if you're going to burn tires, it's going to increase the
4 air pollution. So I'd like to have you please consider the
5 children of California when you are going to permit tire
6 burning in California.

7 Thank you.

8 CHAIRMAN MEDINA: We certainly will, and thank you
9 for your testimony.

10 BOARD MEMBER: Mr. Chairman.

11 CHAIRMAN MEDINA: Yes.

12 BOARD MEMBER: Chairman Medina, I was wondering,
13 while we still have a quorum and the majority of our
14 stakeholders are still present, I'd just like to request a
15 little clarification on direction about when we're coming
16 back and when.

17 I know I'm a little confused about what your
18 expectation is for the February Board meeting --

19 CHAIRMAN MEDINA: I was getting ready to touch
20 just on that point.

21 BOARD MEMBER: Perfect, thank you very much.
22 Sorry to interrupt.

23 CHAIRMAN MEDINA: It was my intention to call a
24 meeting to finalize this process. I can't do it before ten
25 days because a ten-day notice is required. So that is my

1 intention, to call another meeting to finalize the
2 discussions that we've had.

3 BOARD MEMBER: The timeframe of that being
4 somewhere between the February Board meeting and the March
5 onset of Committee meetings?

6 CHAIRMAN MEDINA: Correct.

7 BOARD MEMBER: After the February Board meeting
8 we'll set up a special meeting of this Committee to finalize
9 this --

10 (End tape 3A.)

11 BOARD MEMBER: -- and hopefully have a full
12 Committee present.

13 CHAIRMAN MEDINA: That's correct. We have --

14 BOARD MEMBER: Okay, all right.

15 CHAIRMAN MEDINA: -- to just make allowances for
16 three schedules here.

17 BOARD MEMBER: Thank you for allowing me to --

18 CHAIRMAN MEDINA: Yeah.

19 BOARD MEMBER: -- request that clarification.

20 CHAIRMAN MEDINA: So the next speaker is Dr.
21 Priscilla Albright.

22 DR. ALBRIGHT: Hi. Can you hear all right? My
23 name is Dr. Priscilla Albright. I am a member of the West
24 Valley Citizens Air Watch group. And I'm very concerned
25 about the dangers of burning tires for fuel in cement kilns.

1 And I'm going to read some excerpts from a paper
2 by a Dr. Neil Carmen. He has a PhD in chemistry and he
3 served as a Texas Air Control Board Regional Investigator
4 for 12 years, with extensive technical experience in
5 synthetic rubber plants making rubber for tires.

6 As a TACB official he conducted state pollution
7 inspections at one of the largest synthetic rubber plants in
8 the United States. Many inspections were performed at the
9 facility for compliance purposes, and they led to three
10 state enforcement actions, including a major lawsuit by the
11 State Attorney General's Environmental Protection Division,
12 in which Carmen served as the state's chief investigator.

13 He became very knowledgeable about toxic air
14 emissions being released, and their relationship to plant
15 problems in the synthetic rubber process. During his tenure
16 as a state air pollution control official he also inspected
17 large cement manufacturing facility which produced Portland
18 cement, and with the scientific experience he had, he
19 realized that one should oppose the disposal of wastes such
20 as tire-derived fuel or TDF, as it's called, in cement
21 kilns.

22 Hazardous chemicals used in synthetic rubber
23 manufacturing are regulated under the federal Clean Air Act.
24 Tires made from petrochemical feedstocks include two organic
25 chemicals, styrene and 1,3 butydiene. Substances used to

1 produce synthetic rubber for tires contain several hazardous
2 chemicals as primary constituents which may be emitted into
3 the air during high temperature incineration of tires in
4 cement kilns.

5 A large volume of benzene present in this TDF
6 waste treatment and its high temperature requirement for
7 complete combustion provides a pathway for creation of even
8 more highly toxic species, such as dioxins, -- I'm sure
9 you've all heard about some of the problems with dioxin --
10 furans, PCBs and PHH -- PAH, which is polycyclic aromatic
11 hydrocarbons.

12 Additional hazardous chemicals are used in
13 synthetic number, too numerous to list at this time. Many
14 of these substances are typically not naturally found in
15 coal, so if they're using coal at the cement kilns there's
16 not as much pollution as coal plus tires.

17 I can list -- but they produce toxic emissions of
18 things that are carcinogenic, mutagenic and teratogenic
19 chemicals. Teratogenic chemicals disrupt normal fetal
20 development. So I'm very concerned about these things.

21 The fact that the synthetic rubber industry uses
22 large volumes of so many toxic chemicals in their process is
23 testimony to the issue that burning tires, even in
24 relatively well controlled combustion devices, may result in
25 harmful emissions and cause undesirable impacts in the

1 neighboring communities.

2 Cement kilns are not designed, constructed or
3 intended to be used as scrap tire incinerators. They're
4 regulated as cement manufacturing facilities under different
5 rules --

6 CHAIRMAN MEDINA: Doctor, the three minutes are
7 up. If you could just sum up for us, please.

8 DR. ALBRIGHT: What?

9 CHAIRMAN MEDINA: The three minutes were up. If
10 you could sum up for us, please. Just to be fair to
11 everybody else.

12 DR. ALBRIGHT: Well, I went on and I listed all
13 sorts of chemicals that are there. And I just feel -- I
14 just want to finish by saying cement kilns are one of the
15 largest sources of dioxin emissions in the United States.
16 And then to add tire burning to that makes it even worse.

17 Many people who live downwind of cement plants,
18 this one of the problems where I live, carry unhealthy
19 burdens of toxic already. And then if you start burning
20 these tires it adds to them.

21 I hope you will really consider that.

22 CHAIRMAN MEDINA: We will, thank you very much.
23 The next speaker, Ruth Sethe.

24 MS. SPEAKER: (Inaudible.) Joyce Eden --

25 MS. EDEN: Thank you. I'm Joyce Eden, West Valley

1 Citizens Air Watch.

2 Okay, just real briefly, on the -- the cement kiln
3 in Cupertino did a test burn. They used coal as their fuel.
4 They added 10 percent tires to that. They did a test burn.
5 Our group and others and the Integrated Waste Management
6 Board and -- I'm sorry, the Bay Area Air Quality Management
7 Board, and Silicon Valley Toxic Coalition all studied those
8 emissions.

9 And just to give you a quick idea, benzene
10 increased by 12 percent adding tires to the coal.
11 Hexavalent chromium increased 800 percent. That's the Erin
12 Brockavich emission. And lead increased 600 percent.

13 Now, as far as the specifics that we came here for
14 today, SB-876, the goal is recycling. And if there's one
15 thing I'd like you to remember from today, tire burning for
16 fuel is not recycling. Please look, if you need reminding,
17 of the California Public Resources Code definition for
18 recycling. In that Code, PRC-40180, recycling does not
19 include transformation. Transformation is tire burning for
20 fuel.

21 So, this -- again there is funding in the five-
22 year plan and in the two-year plan supporting, and in the
23 Integrated Waste Management Board budget, supporting tire
24 burning for fuel, especially in cement kilns. This is
25 completely inappropriate.

1 You're probably familiar with your Public
2 Resources Code on recycling which has a three-tier, source
3 reduction, recycling and I just reminded you of what the
4 real -- that transformation is not recycling. And the last
5 lower part of the hierarchy, which is very clear in the
6 California Code, is landfill and transformation.

7 So this Board should, at this point, be completely
8 turning away from transformation, tire-derived fuel, phasing
9 it out over a three-year period.

10 And I'm really glad to hear people today from the
11 rubberized asphalt concrete industry. This Board actually,
12 the Integrated Waste Management Board, in one of its reports
13 not too many years ago, said that all the 30 million tires
14 in California, used tires, could be completely used by
15 rubberized asphalt concrete alone. And as you know, there's
16 many other true recycling uses for them.

17 So we don't really have to look very far. We
18 don't have to do a lot of studying. We just need to
19 implement that and put more money into the programs that you
20 already have there. And the playground mats and so on.

21 CHAIRMAN MEDINA: I'm going to have to interrupt
22 here for --

23 MS. EDEN: Okay.

24 CHAIRMAN MEDINA: -- a second. I do know that
25 Board Member Washington needs to leave at this point. We

1 will lose our quorum, and so for those that wish to remain
2 and testify, it will be recorded. However, there will be
3 another opportunity. This Committee, with a full quorum,
4 will reconvene after a ten-day period so that we can
5 finalize everything that we have here. So you'll have an
6 opportunity there again to testify before our Committee.

7 For those of you who have taken the time to travel
8 and be with us today, Board Member Paparian and I will
9 remain to hear your testimony. However, if you wish to not
10 remain after we lose our quorum, you will be welcome to come
11 to our meeting that will take place a little after ten days,
12 to record your testimony, at which time it will be
13 transcribed.

14 MS. EDEN: Thank you. Can I continue?

15 Okay, as far as the enforcement section of the
16 staff recommendation revisions, there were 785 sites that
17 were identified, 576 were taken care of in some way. In the
18 five-year plan they listed 209 active sites. And obviously
19 we don't have the time now, but I'd like to know what the --
20 I think the staff would, if they haven't yet, updated the
21 Board on the status of those. We recommend that happens.
22 And also the citizens would like to know.

23 The California Highway Patrol has identified 279
24 sites, illegal tire piles, from aerial surveillance; 103
25 have been taken care of by the Integrated Waste Management

1 Board in some manner. That leaves 176 sites yet to be
2 cleaned up.

3 Our recommendation, we'd like the Board to
4 recommend to the staff is that these sites, they're already
5 identified, they be cleaned up on a short-term basis, within
6 the year.

7 Then we also recommend that the bounty be funded,
8 the amnesty be funded, and I'm not sure, maybe we missed the
9 discussion on that. But why the staff is recommending
10 reduction in that, perhaps it just needs more local
11 community education. But that seems like a really good
12 idea. So I'd like to see that funded well.

13 We want permitted facilities -- the staff is
14 recommending, or I think it was in the five-year plan, that
15 they be brought into compliance by 2006. This is way too
16 long, way, way too long. So, --

17 CHAIRMAN MEDINA: I wonder if you could, because
18 we are meeting again, this Committee will meet again, I
19 wonder if you could hand these in to us in written form?

20 MS. EDEN: Yes, I will.

21 CHAIRMAN MEDINA: Then we would have them before
22 the meeting.

23 MS. EDEN: Okay, well, just can I make --

24 CHAIRMAN MEDINA: If you could sum up, please.

25 MS. EDEN: -- two quick -- yeah, I'll just make

1 two quick points.

2 We want the plan revised for no exemption/
3 exception for storage for tires at cement kilns. And then,
4 okay, then Martha Gildard mentioned \$1 million going towards
5 tire-derived fuel from the Integrated Waste Management
6 Board. And we would like a report or listing of exactly who
7 got that money, and how much each company received.
8 Obviously we feel that's inappropriate and that should be
9 phased out.

10 CHAIRMAN MEDINA: Okay, thank you very much.

11 MS. EDEN: Thank you.

12 CHAIRMAN MEDINA: We do need to go --

13 MS. EDEN: Thank you.

14 CHAIRMAN MEDINA: -- on to the next speaker. The
15 next speaker is Donna Liu.

16 MS. LIU: Chairman Medina, Members of the Board,
17 good afternoon. My name is Donna Liu; I'm with the Natural
18 Resources Defense Council.

19 I'd like to bring your attention to a related tire
20 issue. This one similarly addressing the intent of SB-876
21 and its public health and air quality goals, and alluded to
22 this morning by Martha, and again by Mr. Sims.

23 In the state's desire to develop more petroleum
24 reduction strategies and thus protect air quality and the
25 public health of all Californians, SB-1170, sponsored by

1 Byron Sher, directed the CEC to explore and produce
2 recommendations on ways to improve the fuel efficiency of
3 vehicle tires.

4 Tire efficiency, or rolling resistance, has to do
5 with how much friction there is between the tire and the
6 road, and the efficiency of the tire in operation.

7 Currently, tires which come with new cars are more
8 efficient than those tires for sale in the replacement tire
9 market. This is because car companies count on low rolling
10 resistance tires to help meet their fuel economy standards.
11 Yet tire companies are not obligated in any way to provide
12 more efficient tires in the replacement tire market.
13 Therefore, there is no baseline efficiency required for
14 replacement tires. And consumers who may want to replace
15 their tires with the same tires that came with their car
16 cannot find those tires in the after-market.

17 Low rolling resistance tires can lead to a fuel
18 economy improvement of roughly 3 percent, which, as you
19 know, is highly significant. Californians could save
20 upwards to 300 million gallons of gasoline annually.

21 Realistically, if low rolling resistance tires
22 penetrated only 25 to 30 percent of the consumer market, gas
23 consumption could be reduced by 77- to 107-million gallons
24 per year. The year's savings to California consumers would
25 then result in roughly \$118- to \$165-million.

1 Because low rolling resistance tires are largely
2 unavailable, fuel efficiency significantly declines.
3 Additionally, consumers are unaware that the replacement
4 tires they buy for their vehicles can impact fuel economy.
5 An increase of only \$9 to \$22 in tire purchasing can result
6 in \$87 to \$260 of fuel over ten years and two sets of tires.
7 And that is only if those more efficient tires are sold in
8 California.

9 Finally, evidence suggests no strong correlations
10 between rolling resistance and longevity. Therefore,
11 efforts to improve tire fuel efficiency can and should
12 operate hand-in-hand with the state's efforts to minimize
13 tire waste.

14 You have now before you a report from the
15 California Energy Commission Staff and their summary of
16 findings and recommendations on creating a fuel efficient
17 tire program in the state. Among other things, the Energy
18 Commission is recommending, creation of a database of tire
19 efficiency based on testing, which would be carried out over
20 the next two years; creation of consumer tire fuel
21 efficiency rating system; exploration of consumer education
22 approaches; and exploration of incentive programs to
23 encourage the purchase of more fuel efficient tires.

24 The program requests funding of \$700,000 for the
25 first two years to establish a database of 1400 tires; and

1 that would include testing and analysis. After which time
2 enough data will have been collected to determine minimum
3 efficiency guidelines.

4 We now ask that this Committee consider using less
5 than two cents from the dollar fee collected on every tire
6 toward establishing a tire efficiency program in California.
7 Doing so would protect our air quality, help achieve public
8 health goals, and support the state's petroleum reduction
9 strategies.

10 Thank you.

11 CHAIRMAN MEDINA: Okay, thank you.

12 BOARD MEMBER: Mr. Chairman, could I just ask a
13 couple points?

14 CHAIRMAN MEDINA: Certainly.

15 BOARD MEMBER PAPARIAN: Martha, one of the things
16 that this witness just mentioned is that the Energy
17 Commission program to develop a database of 1400 tires with
18 regards to their rolling resistance.

19 I know that we participated in some of these
20 Energy Commission workshops. Are we trying to assure that
21 that database includes information on the longevity of these
22 tires?

23 MS. GILDART: Yes. Staff has participated in
24 those workshops, as has the contractor that we have working
25 on the longer-lived tires. I wasn't so sure if the recycled

1 content tire gentleman had participated. Yes, okay, yes.
2 To get that on the tape.

3 It is sort of a three-way problem, emphasizing one
4 over the other. How does it shift --

5 BOARD MEMBER PAPARIAN: Yeah, my question, I mean
6 I understand some tires may have, you know, high rolling
7 resistance and low life and some might have higher life.
8 But it sounds like this information is intended ultimately
9 to provide some benefit to the consumer.

10 MS. LIU: Right. The data was requested by the
11 trade association for the tire makers. The data was not
12 provided by the tire makers. Therefore, the state has the
13 onus of testing those tires, themselves.

14 BOARD MEMBER PAPARIAN: Right. So, if we could
15 get into that database information on the longevity of those
16 tires, I think that would be an added benefit, so that
17 someone using the list could actually see. You know, for
18 example, our state procurement folks could see information
19 that has both longevity and rolling resistance information.
20 And I think that, you know, it would provide vital
21 information to assure that both goals are met to the highest
22 extent possible.

23 MS. LIU: That very idea has been recommended by
24 Energy Commission Staff. It's just a matter of kind of
25 developing the link between the Energy Commission and the

1 Integrated Waste Management Staff.

2 BOARD MEMBER PAPARIAN: I think with some of the
3 funding that I suggested this morning we could maybe use
4 some of that funding to help develop that information.

5 The other thing that you mentioned was you weren't
6 aware of the correlation between rolling resistance and we
7 don't have good information? Why don't you repeat what you
8 said.

9 MS. LIU: We haven't been able to find any
10 extensive study which would show that there is any
11 significant tradeoff between rolling resistance and
12 longevity. There are some studies in Europe and there are
13 some very -- we did some small studies as a phase effort for
14 the Energy Commission report that's before the Commission
15 now; that was just approved by them.

16 But there was -- we don't have enough data really,
17 so --

18 BOARD MEMBER PAPARIAN: Okay, so some of our
19 research money could be used to help develop that
20 information --

21 MS. LIU: Yes.

22 BOARD MEMBER PAPARIAN: -- including what it might
23 take to meet both goals, longer life and better rolling
24 resistance.

25 MS. LIU: Exactly.

1 BOARD MEMBER PAPARIAN: Okay.

2 MS. GILDART: And the recycled content. As I
3 said, it's a sort of a three-way balancing point.

4 BOARD MEMBER PAPARIAN: Right.

5 MS. LIU: So at this time we just ask that the
6 consideration of a \$700,000 program be funded by this
7 Committee.

8 BOARD MEMBER PAPARIAN: Okay. Thank you.

9 CHAIRMAN MEDINA: Is there any way to identify
10 these tires?

11 MS. LIU: I'm sorry?

12 CHAIRMAN MEDINA: Is there any way that these
13 tires can be identified if you're looking for a low rolling
14 resistance tire?

15 MS. LIU: We would love to have direction from the
16 tire manufacturers. Although they are telling us that they
17 do not test tires that are not specific to the original
18 equipment, the OEM tires that come with new vehicles.

19 CHAIRMAN MEDINA: Okay, thank you very much for
20 your testimony.

21 MS. GILDART: Chairman Paparian -- I'm sorry,
22 Chairman Medina.

23 CHAIRMAN MEDINA: Yeah.

24 MS. GILDART: The gentleman from the Nevada
25 Automotive Test Center who is doing the study on the

1 recycled content would like to respond to her comments. Is
2 that permissible or --

3 CHAIRMAN MEDINA: At this point, why not.

4 MS. GILDART: Okay.

5 MR. SIME: I just wanted to comment on the --
6 sorry, my name is Muluneh Sime with Nevada Automotive Test
7 Center.

8 I just wanted to comment the relationship between
9 rolling resistance and the longevity issue. Essentially
10 what rolling resistance generates, you know, within the
11 tire, is increased internal heat which affects the life of
12 the tire.

13 So one could, in general terms, without saying by
14 this amount or by this rate, increased rolling resistance
15 would impact negatively on the life span of the tire.

16 I just wanted to make that clarification. From a
17 technical standpoint that is a kind of established
18 information. Just wanted to comment on that.

19 CHAIRMAN MEDINA: Thank you. The next person is
20 Sudheer Helekar.

21 MR. HELEKAR: My name is Sudheer Helekar. I
22 represent Advanced Recycling Sciences. I've given my
23 PowerPoint presentation to the Board Members, to Ms. French,
24 and so I'm not going to go through all of that. I'm just
25 going to make it short.

1 I've been working with tire and auto industry for
2 the last several years, along with Rubber Equipment
3 Association in Phoenix, Arizona.

4 My major point is all this recycling activities we
5 are doing the past several years, we are just trying to use
6 rubber as a material which is like a base material. Rubber
7 is really a polymer. You have to look at it as a polymer
8 and not just a base material that you can add to it.

9 For example, you take mats, you make the mats by
10 adding adhesives to that. Those mats are not going to have
11 that kind of a life that you'd like to see in long term.
12 Similar things that you use, with just the rubber without
13 adhesives, they're not going to get long-term life and long-
14 term product quality. In long term, it's going to come back
15 to you and say, well, we spent all this money and now we re-
16 do it.

17 You have to look at polymers as a polymer, and you
18 need to understand and do more research about polymers. For
19 example, you take cars, they use a lot of plastic parts.
20 You open the trunk of the car, everything you see there is
21 all plastic. You have a car accident, everything then
22 breaks down. It's all in pieces. You have to replace all
23 that.

24 You can replace those parts with a compound of
25 plastic and rubber in such a way, with the polymer

1 composition, that they will not break. They will bend, but
2 you can re-shape back. There's a lot of market in auto
3 industry.

4 If you want to really recycle products, you want
5 to look at a large market and long-term usage. And from
6 that point of view I suggest we should look at polymer
7 compounding, including what I call liquid rubber, which you
8 can take rubber and you can process it by de-vulcanizing in
9 such a way that you can re-use to make new tires. I have
10 the data that shows the specifics of that material will
11 match the specifics used for the new tires. That is a
12 better usage than what we are doing right now.

13 And for that, we need to understand more about
14 polymers. We need to have more data. If you say let's go
15 get that data, you are going to have a hundred scientists
16 coming to you tomorrow and say, I want to do research.
17 Every university would want to do the research. I mean,
18 where do we stop?

19 What you have to do is you have to say, well, you
20 give me the data, you give me the proof that your process
21 works, then we'll help you to go to the next step. Because
22 anything, you know, any technology development, like you had
23 a recently applied technology program. You went straight to
24 commercialization. You can't go straight. It's a three-
25 phase program.

1 One is you have to do fundamental research; you
2 had to put the polymers, insure the demonstration of the
3 data that your process works, your components work.

4 Then you have to go to a second phase where you
5 apply that to specific products of specific application.
6 Because for tire manufacturers say, okay, I'm going to use
7 200,000 tires from next year from you, they have to have
8 specific application data tested. So that's the second
9 phase.

10 If the second phase is proven, then it's easy for
11 them to say we'll buy your material for 300,000 tires, or
12 whatever what it is. But to do that you had to go to second
13 phase.

14 So I recommend essentially that you set up a
15 program, not just a commercialization product,
16 commercialization, but the phase before that that allows you
17 to demonstration kind of a phase. Because that allows
18 smaller companies to take that material -- because it takes
19 costing people million dollars to develop the technology.
20 That comes from their pocket.

21 If you go to the next --

22 CHAIRMAN MEDINA: Thank you, if you could --

23 MR. HELEKAR: -- phase, you need another people's
24 million dollars, so you need support there.

25 CHAIRMAN MEDINA: Thank you, if you could

1 conclude, we'd appreciate --

2 MR. HELEKAR: I'm done.

3 CHAIRMAN MEDINA: -- because you have --

4 MR. HELEKAR: Thank you.

5 CHAIRMAN MEDINA: -- handed in written remarks.

6 Thank you very much.

7 Jerry Coffin, please. Next speaker, Jerry Coffin.

8 MR. COFFIN: My name is Jerry Coffin, and when you
9 announced that there was a three-minute limit I turned to
10 Linda Dickinson and I said, generally it takes me more than
11 three minutes to introduce myself.

12 The reason that I'm here is because our company,
13 Tire Conversion Technologies, wishes to build a factory in
14 the State of California to use California waste tires to
15 manufacture value-added products to sell into the
16 marketplace.

17 Now we're not talking about experimental --
18 anything experimental. We're talking about actual products,
19 actual customers, and if I read the brochure I would have
20 seen that this is all supposed to be on two sides. But
21 somebody may want to bootleg one of these copies over there;
22 there's three copies of some of our advertising material.
23 Showing some of our top ten consumers, all out of our
24 demonstration plant which was built in Scotia, New York,
25 near Albany, New York.

1 My family is a California family. We came here in
2 1921. And my parents were both California school teachers.
3 My father was an auto shop teacher and he invented the
4 process which we use to manufacture these industrial
5 products.

6 The pilot plant was built in New York because
7 that's where I happen to be. And we have discovered that
8 New York is not a terrifically friendly place to do
9 business. And I wanted to come back to the state that I
10 grew up in, and play in the water that I played in, and walk
11 on the beaches that I walked on.

12 And so we decided to build our first 12-million
13 tire facility in California. Now, that 12-million tire
14 facility can be translated into 300 jobs; or we can break it
15 down into modules of 3-million tire facilities.

16 So our concern is in two areas. One is what can
17 be done within this plan to increase the demand side. For
18 instance, one of the products we make is a snow plow blade
19 edge that is superior in every aspect to those that are
20 currently used. It's sold at the same price point as what's
21 currently used. And by some judicious support we could get
22 the Caltrans snow plows to be using these and increase the
23 demand. Every small truck snow plow uses four tires. We
24 recycle 97 percent of the tire at this point.

25 The additional area that's of concern to us is the

1 capital area. We're not talking about something that you
2 build in your garage. Dealing with tires involves large
3 machines. Even though we're labor intensive and we need to
4 be labor intensive to get the quality that we need, it's a
5 substantial investment to build the kind of factory that's
6 noise free and completely emissions free. We've done that
7 in New York and we know what the expenses are.

8 So, there's a number of areas which we support
9 very strongly. One is, oddly enough, civil engineering uses
10 because we do grind up our steel-free sidewalls. And track
11 and other recreational surfaces, we have under testing right
12 now at the State University of New York in Albany, using our
13 material which looks like a black board -- normally I have a
14 piece with me -- as the undersurface of Astroturf, as a way
15 of preventing athletic injuries.

16 So, support of various new product development
17 materials is vital to us.

18 CHAIRMAN MEDINA: As you wrap up I had a -- I'm
19 sure you've been in touch with our staff, and I think that
20 you'll find answers to a couple of your questions. I think
21 that on the demand side, as the tire program becomes more
22 integrated with our state agency Buy Recycled Campaign, that
23 hopefully we'll see things, you know, as you identify uses
24 like snow plows, which we may not have known about, I don't
25 know, we'll be able to work more to make sure that in the

1 Buy Recycled Campaign that state agencies have to
2 participate in, that we're able to incorporate that.

3 You've probably already heard about our loan
4 programs; the RMDZ loan program. I think when you're
5 introduced to the RMDZ folks you'll find that they are aware
6 of other loan programs that are out there like the Pollution
7 Control Finance Authority and others that you might not yet
8 be aware of.

9 So I think that you're doing a good job working
10 with our staff; and I think that they do a good job of
11 providing some of this important information about how to
12 get your business going.

13 MR. COFFIN: It's a world of difference from New
14 York, let me tell you.

15 CHAIRMAN MEDINA: Okay.

16 MR. COFFIN: A world of difference. And the
17 difference is positive. It's my intention to try to speak
18 individually with some of you, to actually show you the
19 product so that you can continue to encourage the
20 development of value-added manufacturing of what is, in
21 fact, a resource, not trash.

22 Thank you.

23 CHAIRMAN MEDINA: That would be most welcome and
24 thank you for your testimony.

25 The next speaker is Joyce Eden.

1 UNIDENTIFIED SPEAKER: (inaudible).

2 CHAIRMAN MEDINA: Dr. Barry Takallou.

3 DR. TAKALLOU: Good afternoon, Member Medina,
4 Member Paparian. I'm Barry Takallou from CRM Company. I
5 would like, on behalf of California Asphalt Pavement
6 Association, which I'm Chairing the Rubber Asphalt Concrete
7 Committee, I would like to express our full support of
8 immediate implementation of SB-1346, funding of SB-1346, and
9 use up any unused money in providing support to local
10 agencies for expansion of rubberized asphalt market.

11 I just passed it on to you, the news release by
12 Governor Hall from the State of Arizona, which they have
13 announced expansion of their program. It provided extra \$34
14 million this year for increasing the consumption of asphalt
15 rubber in the State of Arizona.

16 As you can see on this news release they show 115
17 additional miles of rubberized asphalt is going to be paved
18 with rubberized asphalt in the State of Arizona.

19 And also you have a press release from Governor
20 Davis which announces completion of I-880, one of the
21 largest rubberized asphalt project in the United States.

22 Finally, I would like to bring to your attention
23 some of the international activities. The European Union
24 just announced, as of July 16, 2003, they are not going to
25 allow any whole tire into the landfill. And also directive

1 would go on, on 2006, any type of shredded, even the crumb,
2 rubber cannot go to the landfill in any size and form and
3 shape.

4 And 2008, the incineration of the tires in cement
5 plants are forbidden in European Union.

6 I would like -- this came on a scrap tire news
7 magazine, this is a review. So we don't have to copy in all
8 other countries, but we know we are the fifth largest
9 economy in the world. According to this data it looks like
10 we're the sixth country as far as tire diversion, so I think
11 the program coming along very well. Staff done a
12 magnificent job of diverting over 75 percent of the waste
13 tires from landfill. But still we are, according some of
14 this data, we are the sixth in the world, so we are hoping
15 we can change that and go to number one.

16 And, again, I would like, in any of the allocation
17 of the money be sensitive to other global activities. For
18 instance, it shows Sweden, they are re-diverting hundred
19 percent of their tires. I think a quick study would be good
20 to see what other countries are doing, and what's, how they
21 do 100 percent taking away tires from the land.

22 Thank you very much for your time.

23 CHAIRMAN MEDINA: Thank you, Dr. Takallou. And I
24 know from my experience in working with the Arizona
25 Department of Transportation that they are very committed to

1 the use of rubberized asphalt. And, in fact, they were a
2 very good example for us when I was at Caltrans.

3 DR. TAKALLOU: This support not came, you know,
4 following of the public opinion on asphalt rubber. Actually
5 this is public got behind asphalt rubber because of the
6 merits of asphalt rubber on ride-ability, noise reduction.
7 And maybe we should take this case to the taxpayer of the
8 State of California and see what they want to do.

9 CHAIRMAN MEDINA: Thank you.

10 DR. TAKALLOU: Thank you very much.

11 CHAIRMAN MEDINA: Next speaker is Jane Crue from
12 the California District Attorneys Association.

13 MS. CRUE: Chairman Medina, Board Member Paparian.
14 My name is Jane Crue. I'm the Waste Tire Circuit Prosecutor
15 with the California District Attorneys Association.

16 And I just have a quick comment about the wording
17 of the budget table for the enforcement and regulations
18 section.

19 I just have a concern with the wording saying LEA
20 enforcement jurisdiction grants. Under that table there. I
21 know that the CDAA grant that waste tire circuit prosecutor
22 project runs under was funded under that section.

23 And my concern is that someone may believe that
24 that money is only available for LEA programs, not for other
25 type of enforcement programs. And so I don't know if

1 there's some way to reword that to make it a little more
2 clear on that.

3 BOARD MEMBER PAPARIAN: I'd support that. I think
4 what the CDAA program is doing is a good complement to our
5 enforcement efforts and want to make sure that it's, you
6 know, that it won't be easily confused by a future Board.

7 MS. CRUE: Right, right, that's my only comment.

8 BOARD MEMBER PAPARIAN: Yeah, your presence here
9 reminds me of something that came up in some of the -- one
10 of the workshops and I'm not sure if it's covered here or
11 not, but we had talked at one point about purchasing and
12 then providing surveillance equipment on loan for
13 enforcement-related efforts.

14 Would that be part of the enforcement jurisdiction
15 grants, or do we need to come up with another line item for
16 that? It's something we talked about in one of the
17 workshops.

18 MR. SPEAKER: -- with the tire enforcement branch,
19 again. That, in fact, is one of the things that is an
20 allowable item under the grants that we give to local
21 agencies for the purchase of surveillance equipment.

22 BOARD MEMBER PAPARIAN: Right.

23 MR. SPEAKER: And that's provided for.

24 BOARD MEMBER PAPARIAN: Yeah, the additional
25 concept that had come up was the possibility of us

1 purchasing surveillance equipment that could be loaned to a
2 jurisdiction that maybe only needs it for a two- or three-
3 month period. And then we would get it back. Similar to
4 what the Air Resources Board does with some of their
5 surveillance equipment.

6 MR. SPEAKER: We're thinking about that. That
7 hasn't made its way into this proposal at this point, yet,
8 though.

9 BOARD MEMBER PAPARIAN: If that was desirable
10 would we need a different line item, or could we include
11 that? Would that be part of enforcement jurisdiction
12 grants?

13 Actually enforcement jurisdiction grants implies
14 that we're giving it to a jurisdiction, --

15 MR. SPEAKER: Correct.

16 BOARD MEMBER PAPARIAN: -- so we may need a
17 different line item if that's desirable.

18 MR. SPEAKER: Correct.

19 BOARD MEMBER PAPARIAN: So maybe we can talk about
20 that at this next workshop, whether we need to pull out some
21 number, you know, off the top of my head, a quarter million
22 or something, to, you know, purchase and maintain some
23 equipment. But, Don, I'll look to some of your guidance --

24 MR. SPEAKER: Sure.

25 BOARD MEMBER PAPARIAN: -- as to the desirability

1 of that. I've certainly heard it from some folks. And I
2 think we talked about it at one point, too.

3 MS. CRUE: I've heard the same thing from the CHP
4 folks that are working in the enforcement, tire enforcement
5 program.

6 BOARD MEMBER PAPARIAN: That some occasional use
7 of surveillance --

8 MS. CRUE: Right, that --

9 BOARD MEMBER PAPARIAN: -- would be helpful?

10 MS. CRUE: -- that they've needed equipment to be
11 available from somewhere. And so I think that would be
12 great.

13 MR. SPEAKER: We think we can -- that would
14 probably be best just to add it to the staff line item, you
15 know. The intent can be called out in the plan. And then
16 we can just develop that under the staff item.

17 BOARD MEMBER PAPARIAN: Okay.

18 MR. SPEAKER: Enhance the enforcement staff line
19 item.

20 MS. TOBIAS: I think we could come back to you --
21 Catherine Tobias -- with this. I'd already spoken to Jane
22 about her concerns on this. You know, when the tire plan
23 was done several years ago we were a little bit less certain
24 about where our enforcement was going to take place and how
25 we were going to do it. So I think staff can come back to

1 the next meeting and have some proposals for you.

2 BOARD MEMBER PAPARIAN: Thank you.

3 MS. CRUE: Thank you.

4 CHAIRMAN MEDINA: Thank you. This meeting will
5 adjourn at 3:00. We have eight remaining speakers; that's
6 exactly three minutes apiece in order to finish at 3:00, so
7 the clock will be running.

8 The first speaker is Michael Theroux.

9 MR. THEROUX: Thank you, Committee Chair Medina
10 and Board Member Paparian. I will keep this to a couple of
11 procedural requests, and then submit written comment at our
12 next meeting rather than try to dive into details today.

13 I would ask, because of that, because we do need
14 to prepare for that, that the work that was done, the
15 transcripts for today, be quickly put up available. And
16 that including the attendance lists, if possible. And that
17 the changes in particular that have been suggested today be
18 made available so that we can work with those on the public
19 side, and participate fully in developing written comment
20 for the next time around.

21 But I appreciate the opportunity to take a second
22 stab at this in a few days and I think it certainly warrants
23 that.

24 One further point, there is -- I am very pleased
25 to see the interaction between the Public Utilities

1 Commission now and the Integrated Waste Management Board on
2 some of these very difficult issues. And there are hearings
3 that are coming up during the week of February 17th that
4 have to do with our renewable portfolio standard.

5 I bring this up for one specific point. Board
6 Member Paparian, I would agree with you that just generating
7 energy is not enough. And the health questions are
8 certainly pertinent.

9 In context of AB-2770 in particular, that bill is
10 working its way, as conditioning language, into the
11 renewable portfolio standard right now. The concept of
12 having both technology- and performance-base is appropriate
13 at this time for implementation of that portion of the bill.
14 It is certainly a timely matter to address interagency.

15 Other than that, thank you. Wonderful workshop
16 today, and I will look forward to our next shot at this in a
17 few days.

18 CHAIRMAN MEDINA: Okay, thank you. Next speaker
19 Galen Baker.

20 MR. BAKER: I'm Galen Baker with the California
21 Prison Industry Authority. And I'd like to thank you for
22 this opportunity to address you today.

23 We have put together a tentative proposal for your
24 staff, and I'd like to give you a little bit of background
25 about what the Prison Industry Authority is, so you can

1 understand what we are and why we are coming to you for this
2 assistance.

3 PIA is a self-sustaining, self-supporting inmate
4 work program.

5 CHAIRMAN MEDINA: Mr. Baker, we're very familiar
6 with the Prison Industry Authority.

7 MR. BAKER: Great.

8 CHAIRMAN MEDINA: We're always ordering furniture
9 and other supplies from your Authority. So we're very
10 familiar. And we spend our money there.

11 MR. BAKER: Thank you, we appreciate your support.

12 Basically we're currently looking at the use of
13 the crumb rubber to create products which are going to be
14 used ultimately by Caltrans and other entities such as LAX,
15 who are currently using these on a much smaller basis.

16 If we are going to proceed with this process, as
17 indicated previously, this is a very expensive and a large-
18 scale operation. We're looking at approximately \$3 million
19 in initial capital outlay, without any other ongoing cost
20 consideration.

21 As we must be a self-supporting entity, any
22 support that we can get from the Integrated Waste Management
23 Board is a material part of that fiscal calculation which
24 will allow us to move forward and create not only the inmate
25 work programs and the inmate jobs and training, but also the

1 public benefit for the State of California.

2 We appreciate the effort of all the Integrated
3 Waste Management Staff, and your efforts, and we hope to
4 work with you in the future as we develop a more complete,
5 more comprehensive proposal.

6 Thank you for your time.

7 CHAIRMAN MEDINA: Thank you. Vicki Kramer.

8 MS. KRAMER: Good afternoon, I'm Vicki Kramer with
9 the California Department of Health Services. And I'm also
10 speaking on behalf of John Stroh with the Mosquito and
11 Vector Control Association, as he had to leave at noon.

12 As was alluded to earlier, when water collects in
13 tires an ideal habitat is created for the aquatic immature
14 stage of the mosquito. When the mosquito emerges as an
15 adult it infests surrounding areas, bites people and
16 potentially carries disease.

17 Of immediate concern is the potential role of
18 waste tires in the introduction and establishment of West
19 Nile Virus in California. This mosquito-borne virus was
20 first introduced into the United Airlines in 1999 in New
21 York City. And since then has spread to 43 states.

22 Last year there were over 4000 severe cases of
23 West Nile Virus. Only one in 150 cases are detected or have
24 severe illness, so many many people were ill last year; over
25 150 died.

1 Waste tires also play a role in the introduction
2 and spread of exotic mosquito species. In 2000 the Asian
3 tiger mosquito was introduced into California from China in
4 shipments of Lucky bamboo. And despite eradication efforts
5 last year, we found the Asian tiger mosquito in discarded
6 tires in Los Angeles County. So certainly there is a
7 significant impact on public health.

8 (End tape 3A.)

9 MS. KRAMER: -- in collaboration with the Mosquito
10 and Vector Control Association of California has submitted
11 two proposals to you, and has indicated some funding has
12 been allocated to address public health issues surrounding
13 mosquitos and tires in California.

14 Specifically, we know very little about the
15 abundance and species composition of mosquitos breeding in
16 tires. We need to learn about the seasonal cycles of these
17 mosquitos, regional differences, so that we can focus our
18 control efforts most effectively; and then therefore best
19 use our limited resources.

20 So that I believe through allocating these funds
21 we will gain a better understanding of what's going on with
22 the mosquitos and tires in California; be able to focus
23 control efforts; and therefore, pass this information on to
24 public health campaigns, whether it be ours or in
25 conjunction with another group, to inform the public that

1 these tires are not only an environmental hazard, but also
2 pose a health threat to their families and their
3 neighborhoods.

4 And ultimately we hope to, of course, reduce the
5 public health threat, as well as the number of illegally
6 discarded tires in California.

7 BOARD MEMBER PAPARIAN: Could I ask you a quick
8 question?

9 MS. KRAMER: Sure.

10 BOARD MEMBER PAPARIAN: In your experience in
11 doing this type of research in the past, is it typically
12 private consultants that do this type of research? Or is it
13 public -- universities?

14 MS. KRAMER: No, there's nobody in the private
15 sector doing this kind of work.

16 BOARD MEMBER PAPARIAN: So it's university type
17 research?

18 MS. KRAMER: This kind of work is -- well, this
19 kind of work is actually done fairly typically by the
20 Department of Health Services in conjunction with local
21 agencies.

22 We have a similar agreement right now with the
23 California Department of Transportation --

24 BOARD MEMBER PAPARIAN: But you actually do this
25 research to find --

1 MS. KRAMER: Right.

2 BOARD MEMBER PAPARIAN: Okay. That's what I
3 wanted to know, thank you.

4 MS. KRAMER: The universities might look at
5 focused control technologies, but not do generalized
6 surveillance in conjunction with a lot of local agencies.

7 And we tie that into control methods and education
8 and so on. So, I would just like to encourage you to
9 maintain the level of funding suggested by the staff. It's
10 less than we actually requested. And, if at all possible,
11 increase that level of funding. We'd like funding for at
12 least three years to develop an effective project.

13 Thank you.

14 CHAIRMAN MEDINA: Okay, thank you. Killer bees,
15 tiger mosquitos, what next?

16 Mr. George Larson, Lakin Tire.

17 MR. LARSON: Thank you, Mr. Chair, Mr. Medina --
18 Mr. Paparian. I have two quick points.

19 I know the focus of today's discussions have been
20 primarily on allocation of budget monies, but I would
21 request on behalf of my client, Lakin Tire, to take a look
22 at the definitional qualifications, or the criteria for
23 application for the commercialization of tire grants to
24 expand, or at least revise, the current focus on molded
25 rubber products.

1 This money, and I also appreciate the fact your
2 Committee has recommended continued funding for the next
3 five years at the \$2 million level, that's very helpful.
4 This is the only money that's available to the private
5 sector for market development. So it's very critical to us,
6 as having been successful in applying for these grants
7 before, we feel that, as a company, Lakin has the
8 opportunity to move very large numbers of tires out of the
9 waste stream to higher end uses.

10 Secondly, I would like to see if staff and the
11 Board would consider some funding for the hauling industry
12 as it complies with the electronic reporting requirements
13 and opportunities that are forthcoming down the line. I
14 know your information management group are working on the
15 computer base reporting. Lakin Tire has volunteered and we
16 are working in conjunction with your staff, as we are the
17 largest tire hauler in California.

18 We feel it's appropriate and within the scope of
19 the intent of SB-876 that the costs that we will bear to
20 comply with that mandate are a legitimate expenditure that
21 should receive some financial assistance through the monies
22 that are generated in this tire grant fund. So I would
23 appreciate it if you would take a look at that issue,
24 reconsider your allocations.

25 Thank you.

1 CHAIRMAN MEDINA: Thank you, Mr. Larson. The next
2 person is Bill McGavern with Sierra Club.

3 MR. MCGAVERN: Good afternoon; I'm Bill McGavern
4 with Sierra Club California.

5 I want to first make a point of process. The
6 notice went out that this would be a public workshop, but as
7 recently as late Monday the staff were recommending that
8 there be no public comment allowed from anyone who had
9 participated in the previous meetings. And there also was
10 no agenda for this meeting.

11 I think one of the strengths of this Board is that
12 you do your business in public. However, at your meetings
13 there are usually very few representatives of community
14 groups. And a process like that, where people don't even
15 know if they'll be allowed to comment, let alone when, makes
16 it very difficult for community groups, particularly for
17 people who need to travel over long distances. And so I
18 urge you in the future to do everything you can to invite,
19 rather than deter, the input of people representing
20 community groups.

21 On the substance of the issues you're considering,
22 I recognize that the staff proposal would invest most of the
23 funding into recycling. However, it is disturbing to hear
24 staff continue to talk about tire burning as recycling.
25 Tire burning is not recycling. It occupies the low end of

1 the hierarchy and therefore you really shouldn't be putting
2 any of this money into tire burning, at least until you've
3 exhausted all of the re-use, reduction and recycling
4 options. And you haven't even come close to exhausting
5 those.

6 Therefore, when you take this up again I would
7 urge you not to put any money into the tires-as-fuel
8 category.

9 When it comes to updating the report on pyrolysis
10 gassification and liquefaction, I think it's important that
11 that report focus on actual emissions data that is supplied
12 and evaluated by an independent expert. So that we really
13 can learn what the different technologies, and obviously
14 we're not talking about one thing here, we're talking about
15 very different technologies, what impact they're having on
16 the environment and public health. And I think that will be
17 very valuable to know.

18 And finally, I urge the Board to work with the
19 Energy Commission to make sure that the importance of low
20 rolling resistance tires is emphasized, along with long life
21 and use of recycled materials.

22 Thank you.

23 CHAIRMAN MEDINA: Thank you, Mr. McGavern, your
24 points were well taken in regard to public comment. At any
25 meeting that, you know, is held publicly, where public

1 notice is given, the public will be invited to come and
2 speak.

3 And now finally our last speaker for the day, and
4 that's Jana Nairn. And we want to thank you for your
5 patience for sitting here through the last hour. Thank you.

6 MS. NAIRN: No problem. It's nice to be the last
7 speaker. At least everyone heard the last, so they woke up
8 and said, oh, we're almost done.

9 Thank you, Chairman Medina and Board Member
10 Paparian. Just briefly, it's a pleasure to be here. I was
11 representing Golden By Products, a waste tire hauler and
12 major waste tire facility in northern California, in Merced
13 County.

14 Been recycling tires since 1997, and we were real
15 active in the early stages of the working groups, AB-117 and
16 SB-879. And so it's been a real pleasure to work with the
17 staff who, I think, deserves an award for being one of the
18 most efficient staffs in Sacramento, handling what they've
19 handled with such limited staff on board.

20 And the Board's support and promotion of very
21 diversified markets that are both economically feasible and
22 also environmentally desirable. I think that that continued
23 goal is important.

24 We are also very supportive of regular program
25 evaluations, as Mr. Paparian pointed out, think that's a

1 very good thing. And that follows up with industry comments
2 that were inputted in the SB-876 process.

3 Also we'd like to encourage continued involvement
4 of industry stakeholders, as alluded also to in earlier
5 conversations, like an advisory group or whatever. I think
6 that's very valuable.

7 And your staff has done a wonderful job including
8 the industry right now. We're currently working with the
9 manifest team. And we also will be participating as a large
10 hauler in the electronic system, as well.

11 So, we thank you again for including us, and for
12 allowing us to comment today. And look forward to continue
13 working with the Board and staff as part of the solution to
14 the tire challenge in California.

15 Thank you.

16 CHAIRMAN MEDINA: Thank you. Well, that concludes
17 our public testimony for today. Just to sum up in terms of
18 where we are at this point, at our next meeting we will
19 finalize all the budget figures that we went over today. We
20 will be revising some of the text and preparing a final
21 package to be considered by our Board.

22 And at that time I expect to have a full quorum of
23 Board Members for this Committee, which is a quorum of four.

24 Mr. Paparian, any final words?

25 BOARD MEMBER PAPARIAN: Yeah, Mr. Chairman. I did

1 mention that I have some specific language suggestions for
2 the content of the five-year plan, which I'd like to leave
3 with staff; having to do with intent language, the
4 hierarchy, program evaluation, research items, peer review
5 and clarification of the use of information from the AB-117
6 report.

7 Some of this flows from the dollar changes; some
8 of it is more policy oriented. So, I'll leave this with
9 staff and hopefully we'll be able to incorporate it into the
10 five-year plan.

11 CHAIRMAN MEDINA: And I want to thank staff for
12 all the work that you have done on this. You've done a very
13 good job. I also want to thank Board Members Canella and
14 Jones, who also sat in on many of these workshops, as did
15 previous Board Members. Thank you, Mr. Paparian.

16 And we'll see you again after ten days.

17 (Whereupon, the Committee Meeting was adjourned.)

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CERTIFICATE OF REPORTER

I, JAMES F. PETERS, a Certified Shorthand Reporter of the State of California, and Registered Professional Reporter, do hereby certify:

That I am a disinterested person herein; that the foregoing California Integrated Waste Management Board, Special Waste and Market Development Committee, Special Meeting was recorded by California Integrated Waste Management Board, transcribed in typewriting, to the best of our ability, personally proofread by me, James F. Peters, a Certified Shorthand Reporter of the State of California.

I further certify that I am not of counsel or attorney for any of the parties in this matter, nor in any way interested in the outcome of said meeting.

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